

2. Right-Sizing Government: Eliminating Unneeded Mid-Level Management and Political Appointees

There's one place where the City has way too many employees on the public payroll: mid-level management and political appointees.

In some City departments, there's one manager for every two frontline staff.

In recent years, the number of City employees has been reduced. According to the City's own budget documents, the City workforce has been reduced by 5,880 positions since 2002, a 15 percent decrease. But the number of supervisors, mid-level managers, and patronage appointees has not been proportionately reduced with the rest of the City workforce. This has created an imbalance in many departments, where fewer workers are actually doing the work and an excessive number of supervisors and managers are overseeing the work, increasing the cost to the City. We don't need to be firing any more of the people actually doing the work – we need to get rid of the excessive number of people watching them do it.

There is no one answer as to what is the most advantageous span of control for an organization. In fact, the opinion of organizational design experts has changed over time: Early in the 20th century, there was a consensus that six-to-one was an optimum ratio of frontline workers to managers. Today, that number is placed at more like 10- or 15-to-one, based on trends toward flattening organizational structures and the use of improved technology available to manage work and people.[i]

2.1 Examples from Other Jurisdictions

City and state governments around the country are realizing that narrow spans of control and additional layers of management in an organization add significantly to the cost of doing business. Yet these are rarely closely monitored to maintain optimum staff to manager ratios – and certainly not in Chicago. The following examples are merely intended to illustrate what might be achieved in Chicago through a careful staffing analysis.

- In 2001, Iowa started a concerted effort to increase the span of control in departments to 12:1 from 9:1 when the effort started.
- In May 2011, AFSCME, SEIU, UAW Council 6000 and the Michigan State Employees Association worked with a contracted researcher to study the issue of span of control and layers of management in Michigan government after a series of reductions in force – the state workforce was reduced by 22 percent from 2000 to 2010, a reduction of 13,500 workers. Researchers found an average span of control of 5.87:1. The researchers also calculated that improving the span by just one (6.87:1) would save the state \$75 million in salaries alone.[ii]
- In Florida, the state's Chief Financial Officer adopted new reforms to streamline middle management in the Department of Financial Services, creating greater efficiency and saving the state \$8 to \$10 million a year. Under the new policy, as agency managers resign or retire, their positions will be eliminated and the agency structure reengineered using existing staff to cut unnecessary layers in government. The CFO estimated that implementing this policy statewide, making the government slimmer and smarter, would save the state of Florida as much as \$300 million a year.[iii]

2.2 Examples in Chicago

Chicago has gone through similar frontline worker downsizing without a corresponding review and downsizing of supervisory and management positions. Information from the City's Human Resource web site that lists every employee by name, title, department and salary provides a few examples:

- A preliminary review of all titles within the Chicago Department of Family and Support Services indicates that there are 334 frontline staff and 203 others in various supervisory/manager titles (this count does not include titles such as Foster Grandparent, Elder Companions, etc.), for a total of 537 positions. That is a staff-to-manager ratio of only 1.6:1, far below the recommended average of about 10:1. In addition, DFS's 537 employees report to:
 - o 14 Deputy Commissioners,
 - o 4 Assistant Commissioners,
 - o 6 Assistants to Commissioners, and
 - o 17 Directors in various units such as Administration, IT, HR, etc.
- The Department of Information Technology has 11 Deputy Chief Information Officers alone in a department with 103 FTEs.
- Of the 477 filled positions listed for the Department of General Services, 422 are frontline titles, while 55 are supervisors, managers, or administrators. DGS, therefore has a 7.6:1 ratio of frontline workers to supervisors/managers/ administrators – also well below optimal ratios of between 10 and 15.

A definitive savings amount cannot be calculated for reducing unneeded supervisors until a more thorough analysis of each department is conducted. Comparing Chicago to the Michigan example described above, however, is illustrative. The Chicago workforce is about half the size of the State of Michigan workforce; if raising the frontline to supervisor ratio by one in Michigan will save \$75 million, it is not unreasonable to expect about half of that in Chicago, or \$37.5 million.

[i] <http://www.economist.com/node/14301444>

[ii] <http://www.seiu517m.org/files/2011/05/Fair-Economy-New-Solutions-for-Michigan-FINAL.pdf>

[iii] Consumer eViews, CFO Sink Reforms Government by Streamlining Middle Management, Feb 19, 2010, http://www.myfloridacfo.com/PressOffice/Newsletter/2010/021910/February_1910.htm